--- 22 Cigarettes - “Macdonald Tobacco”, Montreal - [1-10-D] - 1939-42 ---

[Chris Ryan in the *Canadian Revenue Newsletter* - # 13 - August 1996]

“The first retail sales tax levied in Canada was actually imposed in 1935 by the City of Montreal. This municipal sales tax was authorized by provincial legislation which amended the city’s charter to permit introduction of the levy as of May 1st. These provisions necessitated an extra cent on what was then the most popular package size for cigarettes - 25 for 25 cents. ... The resistance to the extra cent caused at least one manufacturer to reduce the cigarettes contained in the packages sold within the Montreal tax area. ... The manufacturer intended to achieve this price reduction by reducing the count of cigarettes in the package from 25 to 24”.

When the Budget of September 12th 1939 increased the excise duty on *small* cigarettes from $ 4.00 to $ 5.00 per 1000 (by 1¢ per 10 cigarettes) the manufacturers, attempting to maintain an even price level on their brands, reduced their packages by one cigarette per pack of 10, or major fraction thereof, and the pre-war twenty-five cigarette pack became *twenty-three* cigarettes retailing *across Canada* at 25¢, while the Montreal pack of twenty-four became *twenty-two* cigarettes.

The next Budget of June 1940 increased the excise duty on small cigarettes from $ 5.00 to $ 6.00 per thousand, and the manufacturers responded by restoring the *across Canada* pack to *twenty-five* cigarettes for 30¢.

However on July 1st 1940 the Province of Quebec, abolishing all existing municipal and provincial tobacco taxes, imposed a flat 10% tax on tobacco products. This meant an added 3¢ provincial tax on a 30¢ package, and thus *in Quebec* after July 1940 a *twenty-five* cigarette pack sold at 33¢.

Early in 1941, responding to the dealer’s complaints about the *odd cents* price, “Macdonald Tobacco” switched *Quebec production* re-instating *twenty-two* cigarettes retailing at 30¢, and also re-introduced the smaller *eighteen* cigarettes selling *in Quebec* at 25¢.

This *twenty-two* cigarette pack was not restricted to sale in *Quebec*. Chris Ryan furnished an ad from the “Toronto Star” advertising Macdonald Tobacco “British Consols” cigarettes at twenty-two for 25¢ in September 1941, so under the June 1942 Budget *twenty-two* cigarettes probably sold *in Ontario* at 30¢, and under the March 1943 Budget *in Ontario* at 35¢.

The calculation of prices for cigarettes is complicated by the production of *premium* brands, which sold at a higher price than the regular brands. In general I have tried to base these estimates on the *quantity* of a cigarette denomination, and on the price guides from the “Canadian Cigar and Tobacco Journal”. Where only a few cancelled examples occur in the collection, one can estimate that the product was a *premium* brand. A further complication comes from Macdonald’s dropping of coded cancellations in July 1942.

--- the 22 Macdonald overprint on 24 Cigarettes for the Budget of September 1939 ---

When the wartime Budget of September 1939 increased the excise duty on *small* cigarettes from $ 4.00 to $ 5.00 per 1000 the manufacturers, attempting to maintain an even price level on their brands, reduced their packages by one cigarette per pack of ten or major fraction thereof, and the pre-war *Montreal twenty-four* cigarettes became a *twenty-two* cigarette pack retailing at 25¢.

"Macdonald Tobacco" mimeographed their *on-hand* sheets of the imperforate Series "C" twenty-four cigarette stamp in violet ink with two central parallel horizontal full width thin *killer lines*, plus an 8 mm. thin Gothic 22 at the bottom, centred between two parallel *corner killer lines* as the company provisional **RC-444**.

★**RC-444** - 22 on 24 cigarettes, imperf, mimeographed **1-10-D / 10-39** in October 1939

[★RC-444]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	---	**10-39**	---	---

At the same time, BABN overprinted the imperforate Series "C" twenty-four cigarettes stamp in black ink with three central horizontally stacked 6½ mm. heavy *killer bars*, with a heavy 4 mm. Roman **22** at each side, plus a pair of four horizontally stacked 4 mm. *bottom corner killers* as the BABN provisional **RC-468**.

★**RC-468** - **22** on 24 cigarettes, imperf, mimeographed **1-10-D / 10-39** in October 1939

[★RC-468]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	---	**10-39**	---	---

--- 22 Cigarettes - used by “Macdonald Tobacco” - [1-10-D] - 1939-42 ---

In the City of Montreal when the pre-war 25¢ *twenty-four* cigarettes was decreased to *twenty-two* cigarettes under the Budget of September 1939, the pack still sold at 25¢.

Due to the June 1940 Federal Budget, and to the July 1940 Quebec 10% Provincial tobacco tax, “Macdonald Tobacco” for *across Canada* distribution now retailed a *twenty* cigarette pack at 25¢, which for the *Quebec market* was priced, all taxes included, at 28¢ per pack. Responding to the dealer’s complaints about the odd 28¢ price, “Macdonald Tobacco” switched *Quebec production* re-instating *twenty-two* cigarettes retailing at 30¢, and also introduced *eighteen* cigarettes selling *in Quebec* at 25¢.

★**RC-388** - 22 cigarettes, imperf, mimeographed **1-10-D / 10-40** by “Macdonald Tobacco” in October 1940

★**RC-387** - 22 cigarettes, perf 11, mimeographed **1-10-D / 11-40** by “Macdonald Tobacco” in November 1940

--- the cancellation read vertically down - 31 copies to date ---

[★RC-388]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	9-39	10-39	11-39	12-39
1940	1-40	2-40	3-40	4-40	---	---	7-40	8-40	9-40	10-40	11-40	12-40
1941	1-41	2-41	3-41	4-41	5-41	6-41	7-41	8-41	9-41	10-41	11-41	---
1942	1-42	2-42	3-42	4-42	5-42	6-42	---	---	---	---	---	---

--- the cancellation read vertically down - 19 copies to date ---

[★RC-387]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	---	---	---	---
1940	---	---	---	---	---	---	---	---	---	10-40	11-40	12-40
1941	---	2-41	3-41	4-41	5-41	6-41	7-41	8-41	9-41	10-41	11-41	12-41
1942	1-42	2-42	3-42	4-42	---	6-42	---	---	---	---	---	---

Thus use of the *twenty-two* cigarette package by “Macdonald Tobacco” continued practically without a break from the 1939 Budget into the 1940 Budget. The pack was simply switched from 25¢ sale for the *Montreal* market (from September 1939 to July 1940), to the *Quebec* market for tax included sale at 30¢ (from July 1940 to June 1942).

The perforated stamps were used on *imported cigarettes*, and were purchased *gummed* to facilitate hand application.

--- Macdonald's 22 Gothic overprint on the obsolete 23 Cigarettes in June 1940 ---

The Federal Budget of June 1940 increased the excise duty on *small cigarettes* from $ 5.00 to $ 6.00 per thousand, and at the same time the Province of Quebec, cancelling the Montreal tax, imposed an added 10% provincial tobacco tax (three cents on a 25¢ pack of twenty cigarettes). The companies terminated their twenty-three cigarettes packages, restoring the twenty-five cigarette pack, retailing (except in Quebec) for 30¢.

Rendered obsolete by the 1940 Budget, the *on-hand* sheets the imperforate Series "C" twenty-three cigarettes were then mimeographed by "Macdonald Tobacco" for use at *twenty-two* cigarettes using violet ink with a 13 mm. thin *central killer* Gothic 22, plus two parallel horizontal *full width bottom-killers* as the company provisional **RC-452**.

★**RC-452** - 22 on 23 cigarettes, imperf, mimeographed **1-10-D / 7-40** by "Macdonald Tobacco" in July 1940

[★RC-452]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	---	---	---	---	---	---	7-40	---	---	---	---	---

--- BABN's 22 black Roman overprint on the obsolete 23 Cigarettes - for the 1940 Budget ---

When the Budget of June 24th 1940 increased the excise duty on *small cigarettes* from $ 5.00 to $ 6.00 per thousand, the companies terminated their *across Canada* twenty-three cigarette package, restoring the *twenty-five* cigarette pack, which retailed (except in Quebec) for 30¢.

Due to the June 1940 Federal Budget, and to the July 1940 Quebec 10% Provincial tobacco tax, "Macdonald Tobacco" for *across Canada* distribution now retailed a *twenty* cigarette pack at 25¢, which for the *Quebec market* was priced, all taxes included, at 28¢ per pack. Responding to the dealer's complaints about the odd 28¢ price, "Macdonald Tobacco" switched *Quebec production* re-instating *twenty-two* cigarettes retailing at 30¢.

Sheets of the imperforate Series "C" twenty-three cigarette stamp (rendered obsolete by the June 1940 Budget) were overprinted by BABN in black ink with four central horizontally stacked 6 x 1 mm. black *killer bars*, and a heavy 4 mm. Roman **22** at each side, plus four horizontally stacked 4 mm. *bottom corner-killer bars* as the BABN provisional **RC-468**.

★**RC-468** - **22** on 23 cigarettes, imperf, mimeographed **1-10-D / 7-40** by "Macdonald Tobacco" in July 1940

--- the cancellation read vertically down - 2 copies to date ---

[★RC-468]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	---	---	---	---	---	---	7-40	8-40	---	---	---	---

--- Macdonald's red mimeographed 1-10-D / 5¢ surcharge for the Budget of June 1942 ---

When the Budget of June 23rd 1942 under the "Special War Measures Act" imposed an excise tax of 1¢ per five cigarettes, or fraction thereof, Macdonald Tobacco applied a typewritten elite mimeograph to their *on-hand* sheets of the twenty-two cigarettes in a two line Gothic surcharge 1-10-D / 5¢, reading *vertically up* on the *imperforate* as **RC-537**, and *vertically down* on the *perforate* as **RC-537a**. The collection ***does not contain*** a copy of **RC-537a - WANTED!**

★**RC-537** - 1-10-D / 5¢ (reading vertically up) on 22 cigarettes, imperf,
the 3 mm. mimeographed company surcharge by "Macdonald Tobacco" for June 1942

--- Macdonald's 10c. dark blue re-surcharge of 22 cigarettes for the Budget of March 1943 ---

There is no doubt that Macdonald Tobacco used the 1942 BABN **5c. / EXCISE / TAX** Gothic surcharged *twenty-two* cigarettes, since when the Budget of March 3rd 1943 doubled the excise tax, they re-surcharged their *on-hand* sheets in dark blue ink, with a 5 mm. dark blue Gothic **10c.**, plus two ***unequal*** (4 and 8 mm.) *killer bars* as **RC-706**. These sheets were *on-hand* when the Budget of March 1943 was tabled, since the ***unequal length bars*** indicate that they had been purchased at the lower pre-Budget excise rate.

★**RC-706** - **10c. / 〓** over **5c. / EXCISE / TAX** on 22 cigarettes, imperf,
the Macdonald ***unequal bar*** dark blue re-surcharge of **RC-388** for the March 1943 Budget

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Lee Brandom ***does not*** list a Macdonald re-surcharge using two ***equal length bars***, which was used on sheets obtained for re-surcharging from Ottawa under the 1943 Budget. Accounting procedures had changed, and companies no longer had to pay *up-front* for excise tax stamps, as a consequence there was no reason to make company re-surcharges, and thus Ottawa simply returned their obsolete stock to BABN for re-surcharging. Under the Budget of 1943, the *Quebec twenty-two* cigarettes sold, with all taxes included, at 40¢.

File path is [c:\ MS - STAMPS \ RC_STAMPS \ 1935 - Series C \ 22 cigarettes \ 1-10D - small],
In MS Word 2007 for Windows 7,
Formatted for a HP CP 1525 Laser Jet,
December 26th 2013, JBH